

STATE OF WISCONSIN  
DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
DIVISION OF MANAGEMENT SERVICES  
BUREAU OF FISCAL SERVICES

ACCOUNTING PROCEDURE

TOPIC: Section 4--Receivables Receivables 5.3	ISSUE DATE: 4/5/96
TITLE: Reconciliation of FMS Accounts Receivable Balances to Annual Report of Receivables	REVISION DATE:
AUTHORIZED BY: Cheryl Thompson, Deputy Director Bureau of Fiscal Services	PAGE 1 OF 3

**BACKGROUND**

A reconciliation of FMS accounts receivable balances to the annual report of receivables is essential to assure accurate recording and reporting of receivables.

**POLICY**

In late July, you will receive FMS reports showing the account receivable balances for June 30, 199X as of the July cut-off date. It is mandatory that you reconcile the accounts receivable data shown on this report to the detail of your receivables and to the data shown on the annual report of receivables. For prior year accounts receivable balances, your lead accountant can provide receivable data shown on the FMS 30001 report, general ledger report. The reconciliation is to be submitted along with the annual report of receivables to the Bureau of Fiscal services no later than July 31.

**PROCEDURES**

1. A recommended format is provided in Attachment 1. The reconciliation process involves determining the FMS accounts receivable balances (including prior year asset balances) and reconciling this information to the accounts receivable balances reported on the annual report of receivables). For each required receivables report, there should be a corresponding reconciliation to FMS data.

Actual reconciliation formats will vary depending upon the nature of the organization's FMS accounts and the required annual reports of receivables.

2. Each organization must be aware of which entries are included in the July/June FMS report.
3. When reconciling to the annual report, any deposits made to the current fiscal year which were received by your organization after June 30 will be reconciling items and should be reported as Amount of Deposits

7-1-9Y through July cut-off date@ on the annual report of receivables.

4. Entries not included in the July/June FMS report must be added to or subtracted from the amounts on the July/June FMS report.
  - a. Consider entries to be made by organizations that are not included in the July/June FMS report and entries made during reconciliation activities.
  - b. Consider entries made by BFS during August reconciliation activities. BFS will FAX copies of any journal vouchers made by BFS to those organizations to assist the organization in performing the required reconciliation.
5. If there are errors on the fiscal system, prepare a journal voucher to adjust the receivable balance. The journal voucher should be received by BFS prior to August 15, 199X. This will eliminate the need to prepare General Ledger entries in September (note: there should be very few general ledger entries received). If the LAB report of receivables is in error, please submit a revised copy to BFS to be received no later than August 25, 199X.
6. All receivables are to be recorded on FMS. The only exceptions include institution canteen and resident account that are accounted for separately from FMS. In other rare instances where receivables have not been recorded on FMS, please provide a statement (on Attachment 2 of **Receivables 5.2**) of what data was used for the annual report on receivables and what process is in place to record these receivables on FMS in the current fiscal year.
7. Within two weeks of receiving the final SFY 199X FMS reports, organizations are to ensure that the final FMS reports agree with the annual report of receivables. Any discrepancies and correcting entries must be submitted to your lead accountant.

#### **ATTACHMENT**

1 Reconciliation of FMS Account Balances to Annual Report of Receivables.

#### **REFERENCES**

**RECEIVABLES 5.2 (Annual Report of Receivables--Institutions and Divisions)**

#### **CONTACT PERSONS**

Amy McDowell, Chief  
Institution and Administrative Accounting Section  
(608) 266-2708

Attachment 1

Reconciliation of FMS Account Balances to Annual Report of Receivables  
(One Reconciliation per Required Report)

1. FMS account balances  
30001 balance plus or minus 30100 balance (July/June report)  
(list by appropriation and project)
2. Subtotal--FMS accounts receivable balances per FMS reports
3. Entries made by organizations and not on July/June reports
4. Entries made by BFS in August
5. Total FMS accounts receivable balances
6. Deposits received in July
7. Adjusting/correcting entries
8. Timing and other differences
9. Total adjusted FMS accounts receivable balances
10. Total accounts receivable balance per annual report of receivables
11. Variance (difference between line 10 and line 9)
12. Explained variances (list)
13. Unexplained variances (include explanation of corrective action)